

S.182

An act relating to the investment authority of municipal trustees of public funds.

The House proposes to the Senate to amend the bill as follows:

First: In Sec. 1, 24 V.S.A. § 2432, in subsection (d), by striking the subsection in its entirety and inserting in lieu thereof the following:

(d) The trustees may delegate management and investment of funds under their charge to the extent that is prudent under the terms of the trust or endowment, and in accordance with section 3415 (delegation of management and investment functions) of the Uniform Prudent Management of Institutional Funds Act, 14 V.S.A. chapter 120. Notwithstanding the limitations on investments set forth in subsection (b) of this section, an agent exercising a delegated management or investment function, if investing, shall invest the funds in a publicly traded security that is:

(1) registered with the Securities and Exchange Commission pursuant to 15 U.S.C. § 78l and listed on a national securities exchange;

(2) issued by an investment company registered pursuant to 15 U.S.C. § 80a-8;

(3) a corporate bond registered as an offering with the Securities and Exchange Commission pursuant to 15 U.S.C. § 78l and issued by an entity whose stock is a publicly traded security;

(4) a municipal security;

(5) a deposit in federally insured financial institutions as defined in 8 V.S.A. § 11101(32); or

(6) a security issued, insured, or guaranteed by the United States.

Second: In Sec. 3, 18 V.S.A. § 5384, in subsection (b), in subdivision (3), by striking the subdivision in its entirety and inserting in lieu thereof the following:

(3) The treasurer, selectboard, or trustees of public funds may delegate management and investment of town cemetery funds to the extent that it is prudent under the terms of the trust or endowment, and in accordance with ~~the Uniform Prudent Management of Institutional Funds Act, 14 V.S.A. § section 3415~~ (delegation of management and investment functions) of the Uniform Prudent Management of Institutional Funds Act, 14 V.S.A. chapter 120. ~~An~~ Notwithstanding the limitations on investments set forth in this subsection, an agent exercising a delegated management or investment function, if investing, may shall invest cemetery funds ~~only in the securities enumerated in this section~~ in a publicly traded security that is:

(A) registered with the Securities and Exchange Commission pursuant to 15 U.S.C. § 78l and listed on a national securities exchange;

(B) issued by an investment company registered pursuant to 15 U.S.C. § 80a-8;

(C) a corporate bond registered as an offering with the Securities and Exchange Commission pursuant to 15 U.S.C. § 78l and issued by an entity whose stock is a publicly traded security;

(D) a municipal security;

(E) a deposit in federally insured financial institutions as defined in 8 V.S.A. § 11101(32); or

(F) a security issued, insured, or guaranteed by the United States.